City of Carson Oil and Gas Code Update

Planning Commission Hearing

June 9, 2015

Prepared By:
MRS

Prepared For:
City of Carson

Update on Progress Since last Meeting

➢ Responses to Planning Commission Direction

➢ Meeting with Industry Representatives

➢ Revisions to the Code

Planning Commission Direction

➢ Petroleum Administrator position options

➢ Explore a Change to Setbacks at 750 feet

➢ Meet with Industry representatives/affected businesses.

➢ Additional Changes to the Ordinance

Petroleum Administrator Position

➤ <u>Option 1 (City Manager)</u>

➤ <u>Option 2 (Petroleum Administrator – Limited Discretion)</u>

➤ <u>Option 3 (Petroleum Administrator – Broad Discretion)</u>

Option 1 (City Manager)

➢ Currently how the Code reads

➢ City Manager has authority to designate staff or to hire experts to address the issues related to specific oil and gas operations as they may come up.

➢ The City Manager's discretion remains limited, and would be mostly focused on processing applications, ministerial approvals and enforcement oversight.

➢ Certain discretionary decisions, such as those related to high-risk operations, are appealable to the Planning Commission.

➢ Allows for flexibility

Option 2 (Petroleum Administrator – Limited Discretion)

➢ Creation of a Petroleum Administrator position to implement the Ordinance

➢ Likely be filled by an appointed staff member, with consultants being retained on an as-needed basis to address the specific issues of a particular project.

➢ Limited discretion as compared to earlier versions of the Ordinance, and would be mostly focused on processing applications, ministerial approvals and enforcement oversight.

➢ Typically be subject to appeal to the Planning Commission

Option 3 (Petroleum Administrator – Broad Discretion)

➤ Petroleum Administrator position with broader authority and discretion to implement the Ordinance.

➤ Back to February version of the ordinance with PA involvement as currently applicable

➤ Potentially provides more flexibility for the unique factual circumstances of particular operations; it also provides less certainty for operators and the public as to what uses could potentially be authorized.

Appeal process

➢ 15 Day appeal period

➢ Appealable to the Planning Commission

➢ Planning commission decisions appealable to the City Council

PA Discretion issues

➤ **9505:** Authorized to appoint such number of officers, inspectors, assistants and other employees for the petroleum unit as shall be authorized by the City Manager subject to Section 2107 of this Code

➤ **9507.1.K:** Has discretion to require a quiet mode operation plan from the Operator as a filing requirement for a CUP

➤ **9507.2:** Has discretion to review CUP applications for completeness and deem them filed

➤ **9507.5.F:** Has discretion to determine when a substantive change of operator has occurred and implement the requirements of this Section

➤ **9508.1B:** Has discretion to oversee and determine if additional filing requirements are necessary for Development Agreement (DA) applications

➤ **9508.2:** Has discretion to determine the filing of DA applications
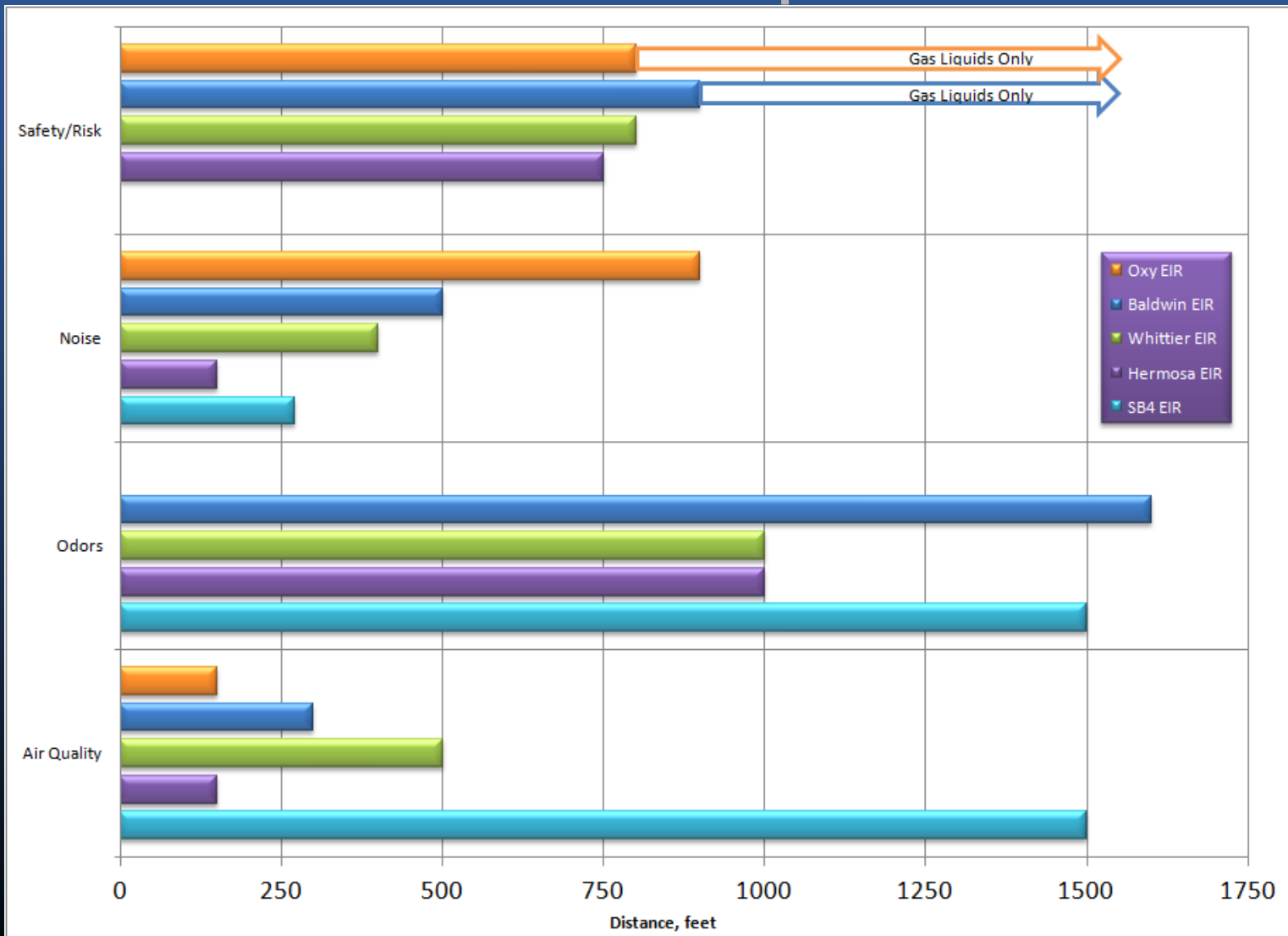
PA Discretion issues cont.

➢ **9510.3:** Has discretion to approve abandonment, re-abandonment, site restoration, or redevelopment permits

➢ **9510.3.2**: Has discretion over requiring additional filing materials as part of an application for abandonment, re-abandonment, site restoration, or redevelopment

➢ **9514:** Has discretion to increase violation fees based on specific violation

➢ **9516.A:** Has discretion to establish and oversee environmental compliance coordinators

➢ **9516.B:** Has discretion over determining compliance security deposit amount

➢ **9519:** Can determine amount of faithful performance bond

➢ **9527:** Discretion over installation of any surface equip. designed to produce steam, review and approval of a steaming plan

➢ **9528:** Has discretion to determine that the use of reclaimed water is infeasible on a site and to allow the operator to use potable water under specific circumstances

PA Discretion issues cont.

➤ **9530.3.B&C:** Has discretion to give approval for recommencement of operations following an earthquake shutdown

➤ **9530.6.3:** Has discretion to require improved leak detection technology

➤ **9531.1:** Has discretion over acceptance of EQAP program

➤ **9533.1.D:** Has discretion to allow an operator to use suitable alternatives to automatic shutoff valves in new pipeline segments

➤ **9533.1.G:** Discretion to approve modifications to pipeline standards/construction as well as discretion to require design/construction modifications and/or additional testing and maintenance

➤ **9537.F:** Has discretion over leak testing requirements for abandoned or re-abandoned wells
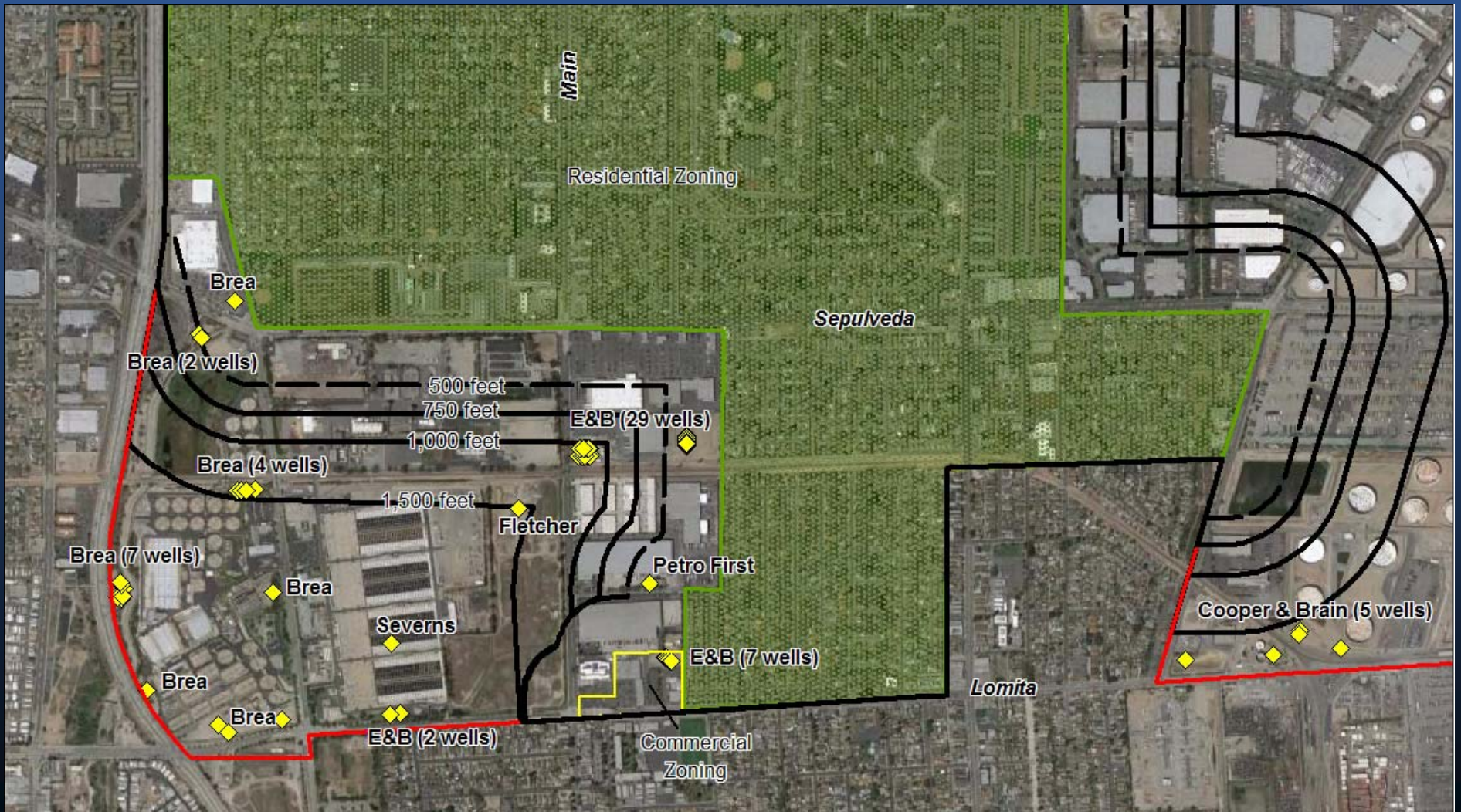
Setback Distances and EIR Impacts

Existing Facilities and Setbacks

Ordinance Changes

➢ Added "Good Neighbor" Provisions (9505). Provisions included in the Ordinance that would apply to all operators - including existing operators. These include provisions related to air, noise, odor, lighting, signage, safety assurances and emergency/hazard management and other operational restrictions.

➢ Provide High Risk operators will have the right to appeal decisions of the City Manager to the Planning Commission, and clarify the process for City recover expenses.

➢ Refine guidelines for Development Agreements and process.

Ordinance Changes

➢ Clarify re-drills of existing wells do not count toward new development, but legally nonconforming uses are limited to no more than 5 re-drills every 5 years.

➢ Adds a grace period for entitlements or permits that may expire to allow flexibility

➢ Refine insurance and bonding requirements.

➢ Provide earthquake Richter measurements as a standard to determine when inspection is required after an earthquake.

➢ Makes clear the operator will pay for reasonable costs of auditing compliance with conditions of approval/ordinance requirements not more than once every 5 years.

Oil wells in The City of Carson

- Brea Canon Oil Co.   19
- Cooper & Brain Inc.   5
- E & B Natural Resources   38
- Fletcher Oil & Refining   1
- Oxy USA Inc.   2
- Pedro First, LLC   1
- Severns Drilling Co.   1
- Total 67

Questions